

SENATE BILL REPORT

SB 5823

As Reported by Senate Committee On:
Early Learning & K-12 Education, January 11, 2024

Title: An act relating to school district elections.

Brief Description: Concerning school district elections.

Sponsors: Senators Hunt, Wellman, Kuderer, Mullet, Nobles, Stanford, Valdez and Wilson, C.;
by request of Superintendent of Public Instruction.

Brief History:

Committee Activity: Early Learning & K-12 Education: 1/10/24, 1/11/24 [DP-WM, DNP].

Brief Summary of Bill

- Lowers the voter approval threshold from 60 percent to a majority of voters for school districts to issue general obligation bonds, levy taxes to make payments on those bonds, and exceed the statutory debt limit.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Wellman, Chair; Nobles, Vice Chair; Wilson, C., Vice Chair; Hunt, Mullet and Pedersen.

Minority Report: Do not pass.

Signed by Senators Dozier and McCune.

Staff: Alex Fairfortune (786-7416)

Background: General Obligation Bonds. The board of directors of a school district may borrow money and issue bonds for any capital purpose. The amount that may be borrowed

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is limited by the state constitution and state statutes.

School districts may exceed the constitutional debt limit for construction of 1.5 percent of the assessed value of property in the district, up to 5 percent indebtedness, with approval of at least 60 percent of the voters at an election where the total number of voters is at least 40 percent of the total at the last preceding general election. State statute imposes a lower threshold of 0.375 percent indebtedness, but allows districts to exceed this threshold to a total indebtedness of 2.5 percent with the approval of at least 60 percent of the voters voting, plus an additional 2.5 percent for capital outlays.

Excess Levies. The state constitution limits regular property tax levies to a maximum of 1 percent of the property's value. Upon majority voter approval, school districts are authorized to collect excess levies above the 1 percent constitutional property tax limit for enrichment, transportation vehicles, and capital projects.

Bond Levies. School districts may also levy taxes above the 1 percent limit to make required payments of principal and interest on bonds issued for capital purposes if approved by at least 60 percent of the voters at an election where the total number of voters is at least 40 percent of the total at the last preceding general election.

Constitutional Amendment. A proposed amendment to the state constitution must be approved by two-thirds of the members elected to each house of the Legislature, and then approved by a majority of the voters in the next general election.

Summary of Bill: If the voters at the next general election approve an amendment to the state constitution to change the voter approval requirement for school district bonds, levies, and indebtedness limits, school districts may:

- issue general obligation bonds for capital purposes;
- levy taxes to make payments on those bonds; and
- exceed the statutory debt limits with approval by a majority of voters voting on the proposition.

If the constitutional amendment is not approved and ratified at the next general election the bill is void in its entirety.

Appropriation: None.

Fiscal Note: Requested on January 2, 2024.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed. However, the act is null and void if the state constitutional amendment proposed by SJR 8207 is not approved by voters and ratified at the next general election.

Staff Summary of Public Testimony: The following testimony reflects comments on both SB 5823 and SJR 8207, as testifiers were invited to speak on both pieces of legislation at the same time.

PRO: The current requirement that school districts receive bond approval by a 60 percent supermajority creates an unattainable goal. In a supermajority the minority has more power and weight than the majority. A simple majority is used to elect people to office, approve initiatives and referendums, and pass levies. The simple majority threshold was in the original constitution and was changed out of fear that people would approve bonds and then leave after the war. This legislation brings the issues to the voters to let them decide if they would like to change the state constitution. Tremendous disparities exist in communities, and students deserve to learn in classrooms free of health hazards that cause injury to students. Approximately half the schools in Washington were built prior to 1992 and need major upgrades to heating/cooling, technology, and security.

CON: The supermajority is important because it requires a larger sampling of the population and more accurately reflects the community. People want to know what districts are doing with the money they are receiving instead of repairing schools. Bond measures fail because they represent bad planning, and we must give taxpayers credit for recognizing this and not supporting bad decisions for 30 years. The 60 percent threshold protects taxpayers from millionaires who don't care about tax increases. This bill enables districts that can't get over the bar with their constituents. Changing the rules of the game because the community is not supportive is not a good way to earn the good will of the community. Don't lower the bar, raise the standards.

Persons Testifying: PRO: Senator Sam Hunt, Prime Sponsor; Tyler Muench, Office of Superintendent of Public Instruction; Paul Marquardt, Bethel Schools; Charlie Brown, South Sound School Districts; Marissa Rathbone, Washington State School Directors' Association (WSSDA); Kimberly Yee, WSSSDA and Fife School Board; Barbara Posthumus, Puget Sound School Coalition; Simone Boe, Washington Education Association; Brady Vallala, Washington Education Association; Jim Kowalkowski, Rural Education Center; Joe Greenheron; Kamil Zaidi, Northwest Progressive Institute.

CON: Julie Barrett, Conservative Ladies of Washington; Eric pratt, America.

Persons Signed In To Testify But Not Testifying: PRO: Michelle Nims, Washington State PTA.